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Governor

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ALAN R. COYNER
Administrator

ACTIVITY AND ACHIEVEMENTS MARCH 2012

ADMINISTRATION (ALAN)

1. Met with John Bennetts concerning AML hazards on his property near Silver City.
2. Provided information to a CPA firm concerning the Castleton tailings at Pioche.
3. Provided a list of known AML hazards on claims owned by Don Decker to Sam Arentz.
4. Obtained current amount of mining financial assurance from NDEP of \$1.866 billion.
5. Met with representatives of Homestretch Geothermal, DWR, and NDEP to discuss Homestretch's request for a waiver from reinjection for an additional amount of geothermal fluid at the Wabuska geothermal plant.
6. Met with Ginger Pearce of Pleasant Valley to review information collected by her concerning domestic well temperatures and possible effects from the Steamboat geothermal plants.
7. Worked with Lowell to resolve measurement differences in oil and gas and in geothermal to explain variances between numbers reported to NDOM and those reported to Taxation.
8. Contacted the Governor's Office concerning the withdrawal of certain parcels in the quarterly oil and gas lease sale due to sage grouse concerns.
9. Conveyed comments concerning the sage grouse and the recent BLM Oil and Gas lease sale from Bill Ehni to the Cory Hunt in the Governor's Office.
10. Worked on a spreadsheet comparing the annual production numbers reported to NDOM as compared to those reported to taxation. Contacted Newmont, Barrick, and Robinson Copper concerning inconsistencies.
11. Forwarded information concerning possible fraudulent mining activity by Fallon Mining to a victim in Ohio.
12. Provided information to Stacy Olsen of Newport Beach, CA concerning a possible mining fraud associated with the Kinsley Mountain gold deposit in Elko County.
13. Provided information to the Secretary of State Securities Division concerning several proposed gold operations in Nevada.
14. Participated with Dave Gaskin and Leo Drozdoff on a telephone call with Greg Conrad concerning Nevada's proposed membership in the IMCC.
15. Linda Wells completed the bond pool balance spreadsheet requested by the Controller's Office.
16. Submitted work programs to the Budget Office concerning the additional field specialist, the transfer of funds to the NBMG, and funding of the hollow pipe claim marker removal program.
17. Provided an overview of Nevada mineral production and exploration to the annual meeting of the American Association of Professional Landmen.
18. Facilitate the CMR meeting in Las Vegas.
19. Attend the Mackay EAB meeting in Reno.

20. Attended the monthly meeting of the IOGCC Steering Committee.
21. Attended the quarterly meeting of the Mining Oversight and Accountability Commission. Discussed NDOM's education role in the Nevada Earth Science Teacher's Education Workshops and testified concerning the data collected by NDOM and Taxation concerning annual production of mineral producers in Nevada.
22. Reviewed the list of students proposed to be hired as summer interns.

RECLAMATION BOND POOL (MIKE)

1. Met with Lacy Trapp (BLM-NSO) to review history of reclamation bonds for Kingston and Manhattan Mills. Additional information was requested from the Mt. Lewis and Tonopah Field Offices, respectively. A site visit was planned with Mike Neff to the Kingston Mill site.
2. Drove to Kingston and met with Mike Neff (BLM-BM) to review ground conditions at old Kingston Mill site (terminated bond - Western Mine Development). NDOM currently holds the reclamation bond for this site. The old water well pump and drill string have been removed and replaced, fairly recently, by parties unknown. The previous earthwork looks fine, but no seeding effort was undertaken. Using SRCE, Mike Neff's estimate for the 13 acres of seeding is \$6,398. Additional research needs to be done to determine who is reactivating the well and their intent.
3. Spoke with Tammy Gillis (New World Resources) about impending refund of deposit and clarified the need for foreign vendor number from Controller's office.
4. Processed notice-level bond for Avidian Gold and Cypress Holding's "21" project.
5. Processed refund documentation and past due premium invoicing for Nevada Moray's Davis Project. BLM-Tonopah will conduct site visit soon to update obligation amounts necessary before partial release of deposit can occur.
6. Provided answers to Nancy McMillan (Springer Mining) on Nevada bonding requirements and costs for Notice and Plan of Operations. Provided her with a list of over a dozen companies currently bonding Plans of Operations with NDEP.
7. Completed the bond reconciliation requested by the Controller's Office. Several GL coding errors were identified and procedures are being implemented to prevent this in the future. Updated Internal Controls documentation for the Bond Pool is still needed.
8. Spoke with Erika Zepeda (Controller's Office) regarding distinctions and requirements for foreign vendors. Any company whose corporate or parent company headquarter is outside the US is considered a foreign vendor, even if they are incorporated in the US. Asked that this and some additional answers be provided on their FAQ page to facilitate the transaction process performed by the bond pool and its constituents.
9. Submitted notary application to Secretary of State's office, after getting notary bond and recording it with Washoe County Clerk.
10. Continued working to resolve older bond pool issues and organize files and spreadsheets.

MINING, LAND AND OTHER ISSUES (MIKE)

1. Answered questions from Clark County Recorder's Office regarding proper documentation needed for Notice of Location of claims.
2. Answered production questions from several small sand and gravel operators who received our Annual Status and Production Report reminders.
3. Worked with Alan, Debbie and Lowell to answer questions on discrepancies between production numbers reported to NDOM and those reported to Taxation.

4. Provided printed information to Richard Mulligan on lithium deposits in Nevada.
5. Attended quarterly CMR meeting.
6. Reviewed Work Program submissions with Alan and answered questions from budget analyst Kristen Kolbe.
7. Attended 3-day Certified Contract Manager class (State Purchasing) and successfully completed written exam

AML / PUBLIC AWARENESS - NORTH (MIKE)

1. Spoke with Whitney Whirthlin (BLM-Elko) to resolve 2011 closures not documented in NDOM database.
2. Prepared AML information packets for Jenni Jeffers (NDOW) for field survey work planned at sites in Humboldt and Pershing counties.
3. Jason Williams and Rory Lamp (NDOW) and Nicole Burton (BLM-Elko) reported finding 41 sticks of explosive in an abandoned mine adit near Montello. The site was subsequently determined to be on private property. Ownership and contact information was provided to the Elko County Sheriff's Office and the Elko Bomb Squad.
4. Conducted QA/QC on AML database in preparation for 2011 AML Report.
5. Conducted online land ownership for AML sites in Douglas and Mineral counties.
6. Continued work on Right-of-Entry document to conduct AML gating work at the Burrus Mine, a Mackay/UNR-owned parcel. Spoke with Dennis Belcourt (Deputy Attorney General) about Right-of-Entry documents received from UNR and forwarded to him on our proposed closures at Burrus. Discussed AML program, mandates, and statutes and funding. Final ROE was signed by Alan and Dennis and then forwarded to UNR for final signatures. Work is planned for the last week in April.
7. Pete and I assisted Jenni Jeffers (NDOW) with underground bat surveys in Pershing County at 12 sites proposed for hard closure. Provided logged AML feature information and pictures for 24 sites at Nevada Quicksilver mine region.
8. Conducted AML fieldwork east of Gardnerville with Rachel and contractor Kate Schnoor. Logged four new hazards and 11 revisits.
9. To answer question/concerns from Bill, researched background and legal cases surrounding Section 106 National Historic Preservation Act as it might apply to impacts on private property.
10. Contractor EPS continued with AML inventory and revisit/repair work in Churchill County. They logged 10 new hazards, 87 non-hazards and made 38 revisits/repairs.
11. Logged 1 new and 8 non-hazards in Nye County south of Kingston.
12. Contacted our top eight summer intern candidates and solicited offers of employment. All eight accepted. They are: Murya Dube and Joey Winkler (returning interns), Abijah Bauer, Eric Dougherty, Kelly Elloyan, Drew Jones, Orgil Norov, and Kate Schnoor.
13. Sent out email notifications to unsuccessful intern applicants and included email links to other potential summer employment options.
14. Coordinated efforts between NDOM, NDEP and EPA regarding two unsecured mine shafts in Pioche and their temporary fencing requirements and costs. Local fence contractor Bob Rollins is providing pictures and cost estimates.
15. Set up archaeological resource recognition training class with BLM-CC for summer interns, staff and contractors during last intern's first week.
16. Provided three Rocks/Minerals/AML presentations to 3rd-graders at Esther Bennett ES, Sun Valley (3 presentations – 71 people).

AML / GIS (RACHEL)

1. Spoke with Owen Voigt with American Innovative Minerals regarding secured hazards in the Wonder Mountain area. He requested hazard ID sheets for a handful of sites in the region that were secured, but additional information was lacking.
2. Updated the database with secured hazard information received from American Innovative Minerals. Several of the sites they were notified of have since been sold to other companies. This information was added to the database as well.
3. Sent a list of unsecured sites in the Eureka area to Owen Voight of American Innovative Minerals. They will review the list and secure the sites as needed. He will be updating us with any changes in ownership or changes to the hazards themselves.
4. Received securing information from American Innovative Minerals. Worked with GeoTemps contractor Murya Dube to enter in and update the information in our records. Photos were scanned and added to the archive.
5. Received packets of secured hazard information from American Innovative Minerals, Pilot Gold and Centerra Gold. This information will need to be reviewed and added to our records.
6. Worked on sorting out discrepancies with recent securing information that was submitted to us from Pilot Gold and Centerra Gold. Several sites that the companies had been notified of were secured along with many other additional sites that had not been logged by NDOM. These sites will be added to our database and entered as secured.
7. Received new hazard, revisit and non-hazard data from EPS. The information was reviewed and added to our database.
8. Worked on downloading and assessing the functionality of the new DNRGPS program. This program is a replacement for DNR Garmin and works with ArcMap 10. This new program helps the upload and download of data sets from our database to the GPS units.
9. Spoke with Joan Dunn from the Newmont Land Department regarding the best way to address AML hazards on their claims. She had several questions regarding the best way to send us secured hazard information and if they needed to notify NDOM before securing a site. We will work towards setting up a meeting in the near future so that we can exchange information to make the securing process easier on both ends.
10. Conducted monthly backups of information stored on external drives and networks. Added photos from the February staging folder to the AML photo archive.
11. Completed a map showing the location of potential hazards on the Mount Siegel Quadrangle in Douglas County for future investigation and field work.
12. Compiled a map showing all of the hazardous features on claims controlled by an unresponsive claimant in Virginia City. We will attempt to make an effort to notify the claimant once more and then take the necessary steps towards securing these sites.
13. Researched other methods of geotagging photos to use on the new Garmin Montana GPS. Determined for small batches of photos, Adobe lightroom is the best solution. A method that can be used to geotag all of our photos at once is still being researched.
14. Created maps and shape files for an area of Douglas County where several new hazards and unsecured sites have been found. Traveled to the area north of the Monarch Mine in the Pine Nut Range with Mike Visser and GeoTemps contractor Kate Schnoor to investigate these sites. Six new hazards were discovered along with several new non-hazards. Several sites re visited and notes made on any changes. We will have EPS work on securing these sites and revisiting the remaining ones in the near future.

15. Submitted the GPS and GIS information to Brian Breiter of EPS for the sites in the Pine Nut Range so that they can work towards securing these sites.
16. Updated the database with the information gathered during the field visit to the Pine Nuts. Updated the photos and the hazard ID sheets with the new information.
17. Compared the photos taken with the new Garmin Montana GPS with those taken from the regular camera during field work in the previous week. Determined the camera on the GPS is functional, but not as good as the regular camera. Began looking into any firmware updates for the GPS or any fixes for what seems to be a white balance issue with the GPS camera. Will continue to research the issue to determine if the camera on the GPS is sufficient for our needs.
18. Worked on putting together a map and GPS information showing all of the sites on Peavine Mountain in Reno that were not on the USGS topographic maps but appeared to be mining features from recent air photos.
19. Accompanied Brian Breiter and his crew for securing and logging work on Peavine Mountain. Two sites that were reported to the Forest Service by hikers were secured by EPS. Several additional non-hazards were investigated and logged. There are additional sites in the area that will need to be visited but inclement weather and access issues prevented us from completing this work. Once conditions improve these sites will be investigated. Updated information to our records.
20. Received new hazard information from Katie Miller of NDOW. Assigned new numbers to these sites and sent her the new numbers. Added the information and photos to our records.
21. Compiled a list of hazards south of Tonopah to send to claimants regarding securing of abandoned mine sites. They requested a contractor list in addition to the list of sites provided. They will update us as securing information becomes available.
22. Received information from contractor Brian Breiter – updated our records with new hazard and non-hazard information as well as added new photos to our database.
23. Worked with Debbie Selig on conducting ownership research regarding claimants with unsecured hazards that will need to be notified. Worked towards compiling a list of owners that had not been notified of hazards within the past year and new claimants so that letter notifications could be mailed out. These letters will be sent out the week of April 9th. Compared to previous mail-outs, this batch is much smaller.
24. Spoke with Tom Hopper of Comstock Minerals regarding hazards on claims being worked by his company. Arranged to meet with him in early April in order to resolve some of these issues. Sent him all of the data regarding unsecured hazards on his property.
25. Worked on ironing out details for the upcoming education workshop in Las Vegas. Worked on breaking several rocks and minerals that will be distributed to the teachers.
26. Organized and compiled all of the information and handouts needed in order to teach four sessions at the workshop in Las Vegas. Planned out activities for sessions that will be taught on Rocks and Minerals. Worked on finalizing the topographic map section of the new activity “Topographic Maps and Abandoned Mines”. Pete Herrera worked on compiling the AML portion of this activity. Put together all of the materials needed for these sessions and ran through the activities.
27. Attended the education committee meeting at the Nevada Mining Association in Reno. Discussed the upcoming workshop in Las Vegas and final preparations needing to be made for the event.

28. Attended the February Commission on Mineral Resources meeting in Las Vegas.
29. Traveled to Elmcrest Elementary School in Reno with Valerie Kneefel to teach students about rocks, minerals, the importance of mining in Nevada, and the dangers of old abandoned mines. Conducted a 2 to 2.5 hour presentation with two classrooms totaling 36 students (2 presentations – 36 people).

AML / PUBLIC AWARENESS - SOUTH (BILL)

1. Logged in 11 new AML loggings received from Jason Williams (NDOW) in White Pine County.
2. Logged five re-visit sites in Clark County as new AML hazards.
3. Investigated and ranked three new hazards at the Arden Gypsum Mine.
4. Pete Herrera and Bill assisted (as outside safety and communications persons) with underground bat surveys conducted by NDOW staff Jason Williams and Christy Klinger at the Arden Gypsum Mine. Brian Breiter was on-hand to offer his expertise and advice on closure engineering. Of the 36 mine openings, only two were determined to be suitable for bat-compatible closure. The rest can be closed by backfill.
5. Received the bat survey summary from Jason Williams (NDOW) for the Arden Mine in Clark County. Only two of the 36 mine openings are suitable for bat-compatible closures, the others may be closed by any means.
6. Attended a meeting with staff of Clark County Real Property Management for updates on the status of the proposed Arden Mine closure project.
7. Investigated and ranked one new hazard in Clark County.
8. Processing data and photographs from Clark and Lincoln County AML re-visits.
9. Received information from Jason Williams (NDOW) of a box of old blasting caps in an adit in White Pine County. Jason is reporting it to the White Pine County Sheriff's Office.
10. Attempting to track down the source of loud "booms" or "blasts" reported by Searchlight and Sandy Valley residents. Not sonic booms per Nellis AFB and apparently not active Nevada mining operations in the area per the State Mine Inspector's office. A call has been placed to the Needles BLM office to determine if there is activity on the CA side.
11. Participated in the bi-monthly progress report conference calls for the BLM/ACOE/BOR AML closure projects – Northern Nevada, Lincoln and White Pine Counties.
12. Completed Trevor Boehme's Eagle Scout Service Project. A total of 6 AML hazards were secured including three interconnected shafts that were logged under one hazard ID number. This is the 126th completed Scout project.
13. Prepared and sent an Eagle Scout AML project package for Eric Wilson (Scout #158).
14. Completed Eagle Scout candidate Eric Wilson's project reconnaissance. Four sites will be secured in the Mt. Potosi area, Clark County.
15. Prepped materials for Morgan Thompson's Eagle project scheduled for Saturday, March 24. Completed Morgan Thompson's Eagle project. Seven previously secured hazards were completely re-secured – Root Hill, Sandy Valley, Clark County. Morgan's is the 127th completed Eagle Scout project.
16. Attended the Commission on Mineral Resources meeting in Las Vegas – summarized Southern Nevada AML and Public Awareness activities and made a presentation on the Arden gypsum mine proposed closure project.
17. Led a field trip to the Arden Mine for members of the Commission on Mineral Resources, Division staff, Jon Price and Jim Faulds.

18. Participated in a field trip to the Searchlight and Nelson areas with Commissioners, Division staff, Jon Price and Jim Faulds. Barney Miller, owner of the Quartette Mine, gave an overview of the mineral production and potential of the property.
19. Attended a Nevada Mining Association Education Committee meeting in Reno.
20. Confirmed PABCO and Mineral Park mine tours for the Las Vegas teacher workshop.
21. Assembling and copying session and tour road log materials for the Las Vegas teacher workshop.
22. Confirmed Aggregate Industries Sloan quarry tour for the Las Vegas teacher workshop.
23. Assisted with a tour of the McCaw School of Mines by Clark County School District Superintendent Dwight Jones and staff.
24. Presented three sessions of Minerals and Commodities and AML for 5 classes of 3rd graders at James McMillan Elementary School Las Vegas (3 presentations - 150 people).
25. Presented minerals and commodities, AML, "Birdseed Mining" and Cookie Mining" for the pre-Kindergarten and Kindergarten classes at Omar Haikal Islamic Academy – Las Vegas (2 presentations – 43 people).
26. Participated in the Foothill High School Career Fair – Henderson. Provided information on what a geologist does, supplied materials from Mackay School of Earth Science and Engineering and presented AML for approximately 100 junior and senior students.
27. Participated in the Pat Diskin Elementary School Career Fair – Las Vegas. Presented 6 sessions of minerals and commodities, "What a Geologist Does", "Animal, Vegetable or Mineral" and AML for 300 students in grade levels 1-5 (6 presentations – 300 people).

GEOHERMAL (LOWELL)

1. Reviewed Gradient Resources sundry notice to sidetrack the Patua 23-17 production well. Alan approved.
2. Contacted all geothermal operators to discuss Homestretch Geothermal's request to increase their permanent re-injection exemption, from 500 acre feet to 4,355 acre feet annually. I received positive responses from all geothermal operators for the increase exemption related to the proposed secondary use of the geothermal fluids. The fluids would be used at a proposed greenhouse operation and a proposed meat processing facility.
3. Reviewed ORNI 15 (Ormat Nevada) slim-hole 14A-27 injection well permit application and drilling program. Proposed total depth is 3,500 feet. Wells will be cored. Received Russ Land's (UIC) and BLM approvals. Alan approved.
4. Reviewed ORNI 15 (Ormat Nevada) slim-hole 16-27 injection well permit application and drilling program. Proposed total depth is 3,400 feet. Wells will be cored. Received Russ Land's (UIC) and BLM approvals. Alan approved.
5. Reviewed ORNI 15 (Ormat Nevada) slim-hole 14A-34 injection well permit application and drilling program. Proposed total depth is 3,500 feet. Wells will be cored. Received Russ Land's (UIC) and BLM approvals. Alan approved.
6. Reviewed Nevada Geothermal Power's sundry request to substitute injection wells for previously approved injection tracer testing. Received approvals from Russ Land (UIC) and BLM. Alan approved.
7. Reviewed Ormat Nevada's sundry notice to perform a flow test on the McGinness Hills 36A-10 production well. Alan approved.
8. Reviewed US Geothermal's sundry notice to re-enter the San Emidio 45-21 observation well, pull 7" liner (84' to 800'), open hole to 12 1/4" from 101' (13 3/8" casing shoe) to

- 800'(original total depth), run and cement 8" casing, drill 7 7/8" hole from 800 feet to 3,000 feet, and run 2 7/8" tubing to total depth. Waiting on BLM approval.
9. Reviewed Gradient Resources sundry notice to plug back and drill second sidetrack in the Patua 85-19. If the second sidetrack is successful, the well will be dual completed. Alan approved.
 10. Reviewed Brady Power Partners' sundry notice to re-enter the Brady 15-12 production well and run 7" liner to total depth. Received BLM notification of approval. Alan approved.
 11. Reviewed ORNI 15's (Ormat Nevada) sundry notices to perform injection tests for up to 29 days in the Jersey Valley 45(57)-28 production well and the 33-33 observation well. Received Russ Land's UIC approval. Alan approved.
 12. Reviewed all calendar year 2010 geothermal production and net sales to grid for Alan's presentation to the Minerals Oversight Accountability Committee (MOAC). Contacted all geothermal operators that had discrepancies in what was reported to NDOM versus what was reported to the Department of Taxation, in order to find out reasons for the discrepancies. Most discrepancies were related to net output to grid, reported by plant managers to NDOM, versus operators net invoicing to NV Energy, reported to the Department of Taxation.
 13. Reviewed Nevada Geothermal Power's sundry notice to re-enter the Blue Mountain 26A-14 production well in order to clean out the barefoot portion of the hole, run 9 5/8" liner to total depth, and repair or replace production pump. Received BLM notification of approval. Alan approved.
 14. Reviewed Ormat Nevada's sundry notices to perform MIT tests on the McGinness Hills 58BP-22 production well, the 66BP-22 production well, and the 58B(O)-22 observation well. Received Russ Land's, UIC, approval. Alan approved.
 15. Drafted injection exemption letter for Homestretch Geothermal 2010 LLC. Sent draft to Alan, John Snow, and Tom Gallagher (DWR) for comments.
 16. Wells drilling: Gradient Resources Patua 85-19 ST2 production well (directionally drilling ST2); HSS II Tuscarora 65C-8 (directionally drilling); US Geothermal San Emidio OW-9 observation well (ran 2" tubing to total depth, rigged down, moving to OW-8 location after Easter break; a second rig will be brought in to re-enter and resume drilling the Gerlach 18-10A observation well).

OIL AND GAS (LOWELL)

1. Reviewed entire well data base related to release of bonding requests from Berry Petroleum and Frontier Exploration, making sure all wells accounted for in terms of bonding with NDOM.
2. Frontier Exploration has two \$25,000 bonds with NDOM, but it appears all of their wells are on BLM leases. Waiting for verification of Frontier Exploration's current bonding from the BLM. Received verification of Frontier Exploration's statewide bonding with the BLM in Nevada. Wrote letter to Frontier Exploration informing them NDOM authorizes their withdrawing the two \$25,000 certificates of deposit utilized for bonding with NDOM. Alan approved.
3. Reviewed Transfer of Ownership forms for Berry Petroleum Company's twenty-nine wells in Nevada to Kirkwood Oil & Gas (based in Casper, Wyoming). The wells are located in the Eagle Springs, Sand Dune, North Willow Creek, and Ghost Ranch Fields. Alan approved.

4. Approved letter to release Berry Petroleum Company's bonding with NDOM due to their sale of Nevada properties to Kirkwood Oil & Gas. Kirkwood Oil & Gas had previously established a \$50,000 statewide bond with NDOM, as well as a \$25,000 statewide bond with the BLM.
5. Reviewed Makoil's sundry notice, permit application, and drilling program for the re-entry into the Dry Lake 21-21 and deepening the well to 5,500 feet. This well was originally drilled to 1,132 feet in 2005, and plugged and abandoned. Waiting on BLM approval.
6. Reviewed all calendar year 2010 oil production and net oil sales for Alan's presentation to the Minerals Oversight Accountability Committee (MOAC). Contacted all oil operators that had discrepancies in what was reported to NDOM versus what was reported to the Department of Taxation, in order to find out reasons for the discrepancies. Most discrepancies were related to December 2010 production that was actually sold in January 2011, thereby being applied to the 2011 calendar year.

OTHER (LOWELL)

1. Attended the Commission on Mineral resources meeting and mine tour on February 27th and 28th.
2. Met with Tom Feters (CEO MTS Energy Inc.) Edward Moses (President MTS Energy Inc.), Lon McCarley (President Black Swann Resources, LLC/Partner in MTS Energy Inc.), and Larry Williams (Attorney representing MTS Energy Inc.) to discuss their upcoming drilling operation east of the Goshute Mountains. MTS Energy will be drilling a 'strat' test on a very small private lease they have in the middle of a very large federal lease. If MTS Energy happens to drill a producer, NDOM will need to look at drainage area of the well, for the well may have the possibility of draining oil from their federal lease (MTS Energy will possibly be undergoing their NEPA/EA process with the BLM at the same time they are drilling their first well on the very small private lease. MTS Energy's initial target is the Chainman Shale).
3. Alan, John Snow, and I met with Alan Tinney (NDEP), Cliff Lawson (NDEP), and Tom Gallagher (DWR) to discuss Homestretch Geothermal's request to increase their permanent re-injection exemption from 500 annual acre feet to 4,355 annual acre feet. Homestretch Geothermal is requesting the increase in order to supply two proposed businesses, greenhouse and meat processing, geothermal fluids for heating, irrigation, wash down, and toilet facility purposes. NDOM had been told by Homestretch Geothermal that DWR would not grant the secondary use permits without the exemption. A meeting was set up with NDEP and DWR in order to evaluate the proposal by the three agencies. We reviewed Homestretch Geothermal's current production rates, their current re-injection exemption with NDOM, their allowable fluid discharge permit through NDEP, and their surface fluid storage permits with DWR. NDOM's concern was allowing a nearly nine-fold increase in a permanent re-injection exemption, even though the contacted representatives from the geothermal industry (all producing operators and one company that will be generating electricity in the relatively near future) are for allowing the exemption.
4. Began to verify 2010 calendar year production and net sales values for the oil and geothermal operators. Verification was needed for the Minerals Oversight Accountability Committee (MOAC), due to discrepancies in reporting to NDOM and the Department of Taxation.